INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

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N.C.A. Board of Directors To Meet Next Week

The N.C.A. Board of Directors will meet in Washington May 19-20 for its annual spring review of Association activities and to hear and see special reports on several phases of the work.

The Board will convene for lunch at the Hotel Statler at 12:30 p.m. Thursday, May 19, with N.C.A. President George B. Morrill, Jr., presiding. The second session will be held Friday morning, May 20, and will be concluded with an address by Charles B. Shuman, president of the American Farm Bureau Federation.

A meeting of the Administrative Council will be held at N.C.A. headquarters preceding the sessions of the Board.

Principal event on May 19 will be a demonstration on "how the N.C.A. protects the reputation of canned foods." This will cover the activities of the Research Laboratories, Information Division, and the Claims Division.

Howard T. Cumming will be narrator, and will be supported by visual and sound demonstrations which are examples of the work of these divisions. The objective of the demonstration of Claims Division work is to explain the method by which this division carries on its activity.

The Board session on May 20 will be devoted to a discussion of the canning industry's relationship with the agricultural industry.

With President Morrill presiding, there will be a panel discussion of the canner's relationship with agriculture. Speakers will be R. H. Winters of The Larsen Company, Green Bay, Wis., Lee Towson of the Vegetable Growers Association of America, and P. E. Benson, Green Giant Co., Le Sueur, Minn.

A report on the raw products emphasis currently being placed in the Consumer and Trade Relations program will follow. This will be presented by George Anderson of the firm of Dudley, Anderson & Yutzy.

The Friday session will close with the luncheon address by Mr. Shuman, who was elected president of the Farm Bureau in December, 1954, following the retirement of Allan B. Kline.

Mr. Shuman is a farm organization man of considerable experience,

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Grades for Canned Peas

The Agricultural Marketing Service of USDA has revised U. S. standards for grades of canned peas. Text of the revised standards was published in the *Federal Register* of May 13, and the standards are effective on that date.

The revised standards, according to USDA, "are substantially in line with industry recommendations." They differ somewhat from the proposal that was published in the *Federal Register* of March 19 and republished in the INFORMATION LETTER of March 26, beginning on page 168.

The revised standards provide only two different brine solutions for each cut-off point in evaluating the maturity-tenderness factor, establish a small tolerance for harmless extraneous material in Grade A and redefine harmless extraneous material, and change color requirements so as to permit evaluation on the basis of appearance of the peas with respect to tenderness and in relation to the over-all color appearance.

N.C.A. Supports Present Wage-Hour Exemptions

The canning industry's position in support of the overtime exemptions of the wage and hour law was made a matter of record in the Senate hearings now under way on various proposals to amend the law and raise the minimum wage.

In a statement filed May 11 with the Douglas subcommittee of the Senate Committee on Labor and Public Welfare, the N.C.A. pointed out that the factors which gave rise to the original agricultural and fishery exemptions in the Fair Labor Standards Act are as operative today as they were in 1938. The Association's statement reviewed the fundamental and basic reasons that require special treatment in minimum wage and maximum hour legislation for employers and employees engaged in canning of seasonal and perishable commodities.

The Senate Committee's public hearings are scheduled to terminate next week.

Meanwhile, speculation continues to grow as to when the House Committee on Education and Labor will begin consideration of the Administration's request for a new 90 cent minimum wage and extended coverage of the Act. In addition, the House Committee, like the Senate Committee, has a full file of bills before it. These proposals represent the views of individual members of Congress and of organized labor. Many of them would

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Little Damage to Canned Foods Found in Post-Blast Checks

Detailed statements regarding the performance of heat sterilized foods in tin and glass exposed to the atomic blast on May 5 must await official clearance of reports now being prepared by technologists still working on the site, but information on some of the immediate results is now available.

In the over-all exposures of all types of foods deemed essential to carry a family through an atomic bombing emergency, the tests of commercial canned foods were by far the most comprehensive, both in quantity and number of exposure locations. They totaled 908 cases and 3,802 uncased samples, were exposed at 15 locations in a variety of domestic and industrial structures, as well as in the close-in localities where they received intense radiation and blast over-pressures. To effect the latter, samples were lightly buried in a few inches of soil. The tests also included exposures to demonstrate how canned foods would

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Status of Legislation

Wage-Hour legislation—Senate Labor Subcommittee continued public hearings on legislation to amend Fair Labor Standards Act (see story, page 207).

Trade Agreements Act—H. R. 1 was passed by House Feb. 18 and by Senate, with amendments, May 4. Conferees are scheduled to meet May 18.

Philippine Trade Act—H. R. 6059, to authorize the President to enter into a revised trade agreement with the Philippine Republic, will be the subject of public hearings before the House Ways and Means Committee beginning May 16.

Customs simplification—H. R. 6040, to revise the method by which the value of imported merchandise is determined for customs evaluation, will be the subject of public hearings before the House Ways and Means Committee beginning May 23.

Mexican farm labor program—The Gathings subcommittee of the House Agriculture Committee on May 12 approved H.R. 3822, with amendments, providing for continued importation of Mexican nationals for employment in agriculture through June 30, 1957, and permitting negotiations for a new agreement with Mexico.

Statehood—H. R. 2535, providing statehood for Alaska and Hawaii, was recommitted to the House Interior and Insular Affairs Committee on May 10 by a vote of 218-170.

Hells Canyon Dam—Senate Subcommittee on Irrigation and Reclamation held public hearings May 2-9 on S. 1333, a bill to authorize construction, operation and maintenance of the Hells Canyon Dam on the Snake River, and recessed subject to call of the chair.

USDA appropriations—H. R. 5239 was passed by House March 28 and by Senate, with amendments, April 26. Conferees met last week but failed to reach complete agreement.

Renegotiation—H. R. 4904, providing a two-year extension of the Renegotiation Act of 1951, was passed by House April 28.

Antitrust suits—H. R. 4954, providing a uniform statute of limitations for antitrust cases, was passed by House April 26.

Antitrust penalties—H. R. 3659, to increase maximum penalties under the Sherman Act, was passed by House March 29.

Philippine Trade Agreement

The United States and the Philippine Republic are about to enter into an agreement that will end duty-free entry of canned foods into the Philippines.

Products of the United States have entered the Philippines free of duty since the Philippine Republic gained its independence in 1946. Similarly, Philippine products have entered the U. S. free of duty.

Negotiators representing the two countries announced last December 15 the terms of a new trade treaty which the legislatures of both countries would be requested to enact into law (see INFORMATION LETTER of Dec. 18, 1954, page 357). The House Committee on Ways and Means will open public hearings next week on a bill, H. R. 6059, which would authorize the President to enter into the agreement.

Enactment of the legislation is expected. The new agreement provides that for two years beginning January 1 the Philippine tariff rates on U. S. merchandise will be 25 percent of the regular tariff rates. Beginning in 1959, rates will be raised again.

The Philippine tariff schedule now in effect has been in use since 1909, and the Philippine government is studying its tariff system with a view to recommending changes for action by the Philippine legislature.

Shipments of Metal Cans

Shipments of metal cans for fruits, vegetables, juices, fish and sea food during the first quarter of 1955 exceeded the volume shipped during the same period of 1954, according to a report by the Bureau of the Census, U. S. Department of Commerce.

	Jan. through March	
	1954	1955
	(short tons of steel)	
Fruit and vegetable (including juice)	170,944	191,545
Fish and sea food	13,118	15,237
Meat (including poultry)	41,569	34,174

Shipments of Glass Containers

Shipments of glass containers for food during the first quarter of 1955 were smaller than the volume shipped during the same period of 1954, on the basis of reports by the Bureau of the Census, U. S. Department of Commerce.

	Jan. through March	
	1954	1955
	(thousands of gross)	
Wide-mouth food (including fruit jars and jelly glasses)	8,828	7,632
Narrow-neck food	2,948	2,717

Forthcoming Meetings

May 15-18—U. S. Wholesale Grocers Association, Annual Convention and Exposition, Miami Beach, Fla.

May 19-20—National Canners Association, Spring Meeting of Board of Directors and Administrative Council, Washington, D. C.

May 25—Tidewater Canners Association of Virginia, Inc., Annual Meeting, The Tides Inn, Irvington

June 12-13—Michigan Canners and Freezers Association, Spring Meeting, Park Place Hotel, Traverse City

June 12-16—Institute of Food Technologists, 15th Annual Meeting, Columbus, Ohio

June 12-16—National Association of Retail Grocers, 56th Annual Convention, Navy Pier, Chicago

June 20-22—Grocery Manufacturers of America, Inc., Midyear Meeting, The Greenbrier, White Sulphur Springs, W. Va.

June 21-22—Maine Canners Association, Summer Meeting, Lakewood

June 23-24—California Olive Association, Technical Conference, Brockway, Lake Tahoe

June 23-24—Processed Apples Institute, Inc., Annual Meeting, The Greenbrier, White Sulphur Springs, W. Va.

July 27-Aug. 5—New York State Canners and Freezers Association, Annual Mold Count School, New York State Experiment Station, Geneva

July 29—Northwest Canners Association, Summer Meeting, Oswego Lake Country Club, Oswego, Ore.

August 21-24—National Industrial Stores Association, 29th Annual Convention, Hotel Shoreham, Washington, D. C.

September 11-14—National-American Wholesale Grocers Association, Midyear Meeting, Broadmoor Hotel, Colorado Springs, Colo.

October 13-15—Florida Canners Association, Annual Meeting, Fontainebleau Hotel, Miami Beach

October 27—National Pickle Packers Association, Annual Convention, Sheraton-Blackstone Hotel, Chicago

November 3—Illinois Canners Association, Fall Meeting, Bismarck Hotel, Chicago

November 7-8—Wisconsin Canners Association, 51st Annual Convention, Schroeder Hotel, Milwaukee

November 11-15—American Meat Institute, Annual Convention, Palmer House, Chicago

November 16-18—Grocery Manufacturers of America, Inc., Annual Convention, Waldorf-Astoria Hotel, New York City

November 21—Pennsylvania Canners Association, 41st Annual Convention, Penn Harris Hotel, Harrisburg

Wage-Hour Legislation

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repeal existing exemptions and would raise the statutory minimum wage to $1.25 an hour.

School construction legislation has been occupying the time of the House Committee, which will hold an executive meeting on May 24 to decide whether further hearings on that controversial subject are necessary. If school construction hearings are concluded, it would be assumed that the House Labor Commitee would be involved for a week or so in drafting legislation. Thus it appears unlikely that wage and hour hearings will be undertaken on the House side earlier than the middle of June.

Practical Home Economics

The food section in the May issue of *Practical Home Economics* magazine is entitled "Food Preservation Handbook." The section carries an article on commercial food preservation, a part of which deals with canned foods.

The article, "Looking Ahead in Commercial Food Preservation," begins, "No story of food preservation would be complete without a bow to the tremendous progress made in commercially processed foods. Although home food preservation continues to be an important factor, many homemakers are taking advantage of the built-in convenience of modern time-saving processed foods." The discussion of canned foods tells about some of the more recent processing techniques and discusses some of the new products on the market.

Practical Home Economics is a professional magazine distributed to home economics teachers and other home economists throughout the country.

Household Magazine

"Everyday Treats with Supper Meats" by Edith Poort, assistant editor, is one of the food articles in the May issue of *Household* magazine.

The author begins, "Looking for something new and different for everyday family fare? Then take a fresh look at the supper meats—those handy-from-the-shelf canned meats and ready-prepared cold cuts that fit like magic into busy-day menus."

Black and white photographs are used in the article, illustrating 6 of the 12 recipes given. Canned foods used in the recipes are pork and ham luncheon loaf, sauerkraut, peas, chicken fricassee, tomato paste and sauce, pork and beans, catsup, Vienna sausage, pineapple, salmon, and tuna.

Campbell Soup Officers

The Campbell Soup Company has announced the election of two new officers. Gilbert C. Swanson, formerly chairman of the board, C. A. Swanson & Sons, Omaha, Nebr., has been made vice president of Campbell Soup Company and general manager of Swanson operations. W. Clarke Swanson, formerly president of C. A. Swanson & Sons, has been made vice president of Campbell Soup Company, in charge of the marketing of all Campbell and Swanson frozen food products. W. Clarke Swanson also was elected a director of Campbell Soup Company.

Poultry Used in Canning

Poultry canned or used in canning during the first three months of 1955 totaled 56,540,000 pounds compared with 49,020,000 pounds used during the same period of 1954, according to the Agricultural Marketing Service of USDA.

Poultry canned or used in canning during March of this year, 20,194,000 pounds, was the largest of record for that month.

1954 Pack of White Potatoes

The 1954 pack of canned white potatoes totaled 1,935,681 actual cases as compared with the 1953 pack of 3,096,186 cases, according to a report by the N.C.A. Division of Statistics.

Container Size	East	West
	(*actual cases*)	
24/2	9,074	33,826
48/8Z	73,354	12,914
24/300	3,000	397,313
24/303	714,709	498,196
24/2½	.....	12,403
6/10	58,935	95,628
Misc. tin and glass	12,231	14,008
U. S. Total, 1954	871,393	1,064,288
U. S. Total, 1953	1,313,728	1,782,458

East includes Me., N. Y., N. J., Md., Va., Ga., Fla., Ala., Miss., La., Ohio, and Mich. West includes Ind., Minn., Wis., Ark., Okla., Texas, Utah, Mont., Calif., and Ore.

1954 Pack of Apple Juice

The 1954-55 pack of canned apple juice totaled 4,219,890 actual cases as compared with the 1953-54 pack of 3,080,844 cases, according to a report by the N.C.A. Division of Statistics.

State	1953–54	1954–55
	(*actual cases*)	
Md., Pa., and Va.	631,139	1,159,128
Michigan	468,553	531,852
California	428,619	601,718
Other states	1,552,533	1,927,192
U. S. Total	3,080,844	4,219,890

Other states include Idaho, Ill., Me., Mass., N. Y., Ohio, Ore., Wash., and Wis.

Lima Beans for Processing

A decrease of about 9 percent from 1954 in the acreage to be planted to green lima beans for processing is indicated by reports received by the Crop Reporting Board of USDA.

If these early season prospects materialize, the 1955 plantings for canning, freezing, and other processing will total 106,000 acres. This compares with 116,850 acres planted in 1954 and the 1944-53 average of 94,020 acres.

Assuming a loss of plantings of about 6 percent in line with recent years, a planting of 106,000 acres of lima beans for processing would result in about 100,000 acres for harvest. This compares with 111,770 acres harvested in 1954 and the average of 88,080 acres.

Of the total acreage in prospect in 1955, intentions reports indicate 38,600 acres will be planted for canning, including succotash.

State	Planted Acreage: 10-year ave. 1944–53	1954 Revised	1955 Indicated	Percent change from 1954
	(*acres*)	(*acres*)	(*acres*)	
New York	2,600	4,000	4,500	+ 2
Pennsylvania	4,370	5,300	4,600	−16
Ohio	1,010	850	800	− 6
Michigan	3,000	2,400	1,200	−50
Wisconsin	5,920	8,100	6,700	−17
Delaware	18,190	24,000	22,900	− 5
Maryland	4,540	5,900	4,400	−25
Virginia	4,290	4,300	3,200	−26
Washington	1,330	2,500	1,700	−32
California	17,390	27,400	25,600	− 7
Other states[1]	31,240	31,300	30,400	− 3
U. S. Total	94,020	116,850	106,000	− 9.3
For canning and other processing	[2]41,060	44,360	38,600	−13
For freezing	[2]65,740	72,490	67,400	− 7

[1] Ark., Colo., Idaho, Ill., Ind., Iowa, Kans., Minn., Mo., N. J., Okla., Ore., Tenn., and Utah.
[2] 1952–53 average. Estimates not available prior to 1952.

Stocks of Apple Products on May 1 and Season Shipments

Reports on canners' stocks and shipments of canned apples and applesauce have been issued by the N.C.A. Division of Statistics, and detailed reports covering the May 1 stock and shipment situation have been mailed to all canners packing these items.

	Case basis	Carry-over month	Total Supply 1954	Total Supply 1955	Canners' Stocks May 1 1954	Canners' Stocks May 1 1955	Season Shipments to May 1 1954	Season Shipments to May 1 1955
			(*thousands of cases*)					
Apples	6/10	Aug.	3,120	4,857	522	1,909	2,599	2,858
Applesauce	actual	Aug.	11,384	15,720	2,445	5,483	8,938	10,237

Deciduous Fruit Production

Prospects for production of deciduous fruits in 1955 were described by the Crop Reporting Board of USDA in a report on May 10, reflecting conditions on May 1.

Peaches—As a result of freezing temperatures in late March, the peach crop in the 10 southern states will be almost a complete failure. In California the peach bloom was heavy and pollination conditions were favorable for a good set. Some frost injury was suffered during April in some areas of the Sacramento Valley and in Stanislaus and San Joaquin counties.

Apricots—Production of apricots in California is forecast at 230,000 tons, 77 percent more than the short 1954 crop of 130,000 tons and 9 percent above the 1944-53 average of 211,500 tons.

Sweet cherries—The sweet cherry crop in California is forecast at 35,200 tons, 52 percent larger than the short 1954 crop and 13 percent above the 10-year average of 31,180 tons. Production of the Royal Anne variety is forecast at 14,800 tons, compared with 8,400 tons in 1954. Other varieties are expected to total 20,400 tons, compared with 14,800 tons last year.

Plums and prunes—Production of plums in California is forecast at 75,000 tons, 4 percent more than last year but 7 percent below the 1944-53 average of 80,700 tons.

Citrus Fruit Production

The Crop Reporting Board of USDA reports that utilization of oranges and grapefruit in Florida to May 1 is below that of a year ago.

Utilization of Florida oranges to May 1 this season totals about 70 million boxes, approximately 6 million boxes less than last season to May 1. The Florida orange crop, at 89.8 million boxes, is 1.5 million boxes smaller than last season, so that about 4.5 million more boxes remained for harvest on May 1.

Utilization of Florida grapefruit totaled about 30.5 million boxes to May 1, about 4 million less than to the same date last year. Production is forecast at 35 million boxes, 7 million less than last season.

Citrus crops in Texas turned out substantially less than indicated earlier. Oranges now are estimated at 1.5 million boxes and grapefruit at 2.5 million boxes, compared with last season's production of 0.9 million and 1.2 million boxes, respectively.

Business Indicators

The business upswing which began in the summer of 1954 continued during the first quarter of 1955 and the latest economic data show the upswing carried still further during April. Many of the indexes of general business activity have now reached and some have exceeded the peak reached in 1953.

The industrial production index is practically back to the 1953 high and consumer spending continues to set new records. Construction activity is at the highest level in the nation's history. Current reports and the latest statistical information indicate that further gains in business activity are likely to continue for at least several months. Production and sales trends and future plans—especially business investment for new plant and equipment—all give evidence of the general vigor of the economy.

The percentage of the various statistical indicators of the business cycle expanding during the first quarter of 1955 continued to rise during March and April. At the end of April expansion was recorded for 87½ percent of the leading indicators, 100 percent of the roughly coincident group, and 80 percent for the lagging group. The American Institute for Economic Research considers 80 percent of each group expanding as a basis for expecting a continued increase in general business activity.

The economic recovery that has occurred since the summer of 1954 has been based principally upon the ability and willingness of consumers to buy. Business investment and government spending during this entire upswing were substantially unchanged. Increased state and local expenditures were offset by declines in federal expenditures both for defense and civilian purposes.

The near-record activity of steel mills and the high level of residential construction lead to the belief that a continuation of the present rate of activity is practically impossible. However, steel mills are now booked heavily into the third quarter of 1955. These and other conditions indicate a leveling out of the upswing and in some lines a possible decline in operation sometime during the summer months.

The most important impetus for a continued high level of business activity during the fall months of 1955 may come from the recently announced intention for greater expenditures for capital equipment. Businessmen now indicate that they expect to increase their capital spending at least 5 percent over 1954 in contrast to a previously announced decrease.

INDUSTRIAL PRODUCTION

Beginning in the fall of 1954 the increase in consumer goods business plus the tapering of inventory liquidation resulted in higher production. In the first quarter of 1955 new orders have been about one-fifth higher than a year ago. Production increases have centered largely in durable goods manufacturing. In this sector, production in the first quarter of 1955 had approached the 1953 high and new orders were about 50 percent a year ago. In nondurable goods industries the production history has been somewhat different. They had experienced relatively little decline in production and 1954 sales had actually exceeded the 1953 total. In the first quarter of 1955, production in nondurable manufactures averaged 121 percent of the 1947-49 average, compared with 114 percent of this base during the first quarter of 1954. The index of production for durable goods manufacturing concerns for the first quarter of 1955 was 148 percent of the 1947-49 average, compared with 136 percent a year ago.

In February, 1955, the production of manufactured food products was running about 1 percent above a year ago, while canned and frozen food production was exactly the same as a year ago.

Industrial Production (Unadjusted) (1947–49 = 100)	March 1955	Change from Month ago	Change from Year ago
		—(percent)—	
Total industry	137	+1.5	+8.7
Manufactured food products*	99	−2.9	+1.0
Canned and Frozen Foods*	72	−6.5	0

* February.

EMPLOYMENT

According to the U. S. Department of Commerce and the Department of Labor, employment rose sharply between March and April, with gains reported in most industries. The largest increases were in agriculture and construction and other activities showing the spring expansion in employment. Manufacturing, which usually shows a decline in April, showed a moderate expansion, and unemployment dropped in April by another 200,000 despite the fact that an unusually large number of new employees entered the labor market. Employment by the first quarter of this year was running about one million higher than a year earlier. The April employment had equalled the all-time peak for this month recorded in 1953. The largest April rise, among the nondurable goods industries, 13,000, occurred in the food group. The latest data available for the canning and preserving industry is for April, 1955, when employment of 120,000 was about 4 percent below a year ago.

The average factory work week declined by one-half an hour between March and April to 40.2 hours, about average for this time of year. However the work week was 1.2 hours above the April, 1954, level.

April unemployment declined about 200,000 for the second consecutive month. Total unemployment in April dropped to a level of 2,962,000. State-insured unemployment stood at 1,503,000 in early April. The rate at which unemployed workers were finding jobs was about the highest in the past year, and 35 percent of the March unemployed were working by the time of the April survey. The result was the sharpest decline in March to April insured unemployment in recent years.

Employment	March 1955	Change from Month ago	Change from Year ago
	(thousands)	—(percent)—	
Total employment	60,477	+0.9	+0.6
Civilian labor force	63,654	+0.5	−0.3
Total manufacturing	16,265	+1.0	+0.2
Canning and Preserving Industry*	120	−7.0	−4.0

* February

SALES AND INVENTORIES

The level of new orders provides a relatively sensitive measure of recovery in business conditions. In the first quarter of 1955 almost three-fourths of all durable goods producers reported an increase in new orders over a year ago. More than one-half of the durable goods manufacturers reported new orders that exceeded the year ago rate by more than 20 percent. This increase in the flow of new orders was widely distributed among all sizes of firms. In general, the increase in sales has spread to a large majority of both durable and nondurable goods manufacturers. Dealers' sales of new and used autos in March exceeded those in any previous month. Total retail sales were up about 8 percent above a year ago after seasonal adjustment. The Federal Reserve Board index of department store sales in March continued at 112 percent of the 1947-49 average. The average for the first quarter of 1955 was 114 percent compared with 107 percent for the first quarter of 1954.

Dealers' auto stocks rose only moderately in March and were under monthly sales levels. The total value of manufacturing inventories at $43.7 billion in March has shown no significant change since the summer of 1954. The inventory-sales ratio stood at 1.55 compared with 1.9 a year ago.

Inventories of food and kindred products manufacturers and in retail food stores were down 3 and 5 percent, respectively, from a year ago, while sales for this group were higher than a year ago. Retail food stores in March registered sales having a total value of 6 percent above a year ago, while sales by food and kindred products manufacturers were up 4 percent over a year ago.

Total business inventories increased slightly in March but were still about 3 percent less than a year ago. Most of the increase during the first quarter of 1955 occurred at the distributor level. In general, manufacturers new orders exceeded sales during the first quarter of 1955.

Sales and Inventories (Unadjusted)	March 1955	Change from Month ago	Change from Year ago
	(billion dollars)	—(percent)—	
Inventories:			
Total business	78.8	+1.3	−2.8
Manufacturing	43.7	−0.7	−5.0
Food and kindred products*	3.5	−3.7	−2.8
Wholesale, total	11.6	−1.1	−1.7
Retail, total	23.5	+0.6	+0.6
Food stores	2.4	+1.7	−5.4
Sales:			
Total business	52.4	+14.2	+0.2
Manufacturing	28.0	+13.8	+10.7
Food and kindred products*	3.8	+1.2	+3.8
Wholesale, total	10.0	+14.7	+6.1
Retail, total	14.7	+15.2	+8.6
Food stores	3.5	+8.7	+5.8

* February.

PRICES

The consumers' price index as measured by the U. S. Bureau of Labor Statistics was virtually unchanged throughout each of the three months of the first quarter of 1955. The March index stood at about one-half of 1 percent less than that for March of 1954.

Slight increases over February were reported in the cost of medical care, reading and recreation; slight decreases were reported in apparel prices and transportation costs. All other components of the index were unchanged in March. The index of food prices, an important component of the consumers' price index, remained unchanged. Increases in the price of poultry, eggs, and fresh fruits and vegetables offset the decline in most meats, groceries, and dairy products.

The retail index of all food in March, 1955, was 1.2 percent below a year ago. The retail price index for canned fruits and vegetables was also 1 percent below a year ago.

The American Institute for Economic Research in its May 2 report concluded that the increasing level of industrial production and the tendency for worker earnings to increase were powerful forces sustaining consumer prices. This same report concluded that the trend of consumer prices during the next several months will probably be downward.

The average of wholesale prices declined slightly in March, due principally to the declines in the average prices of farm products and processed foods. The index of wholesale prices for all commodities at the end of the first quarter of 1955 was 110 percent of the 1947-49 average and was one-half of 1 percent below a year ago. The wholesale price index for all foods was about 2 percent below a year ago and only very slightly above the 1947-49 average. Wholesale prices of farm products were 8 percent below the 1947-49 average and about 6½ percent below a year ago.

The wholesale price index of canned fruits and juices was 1.7 percent above a year ago and for canned vegetables and soups exactly 1 percent above a year ago. The wholesale prices of the competing fresh fruits and vegetables were considerably higher than prices a year ago. The index of fresh vegetable wholesale prices in March was 99.2 percent of the 1947-49 average and almost 26 percent above a year ago, while fresh fruit prices were 11½ percent above the 1947-49 average and 5 percent above a year ago.

Prices (1947-49 = 100)	March 1955	Change from Month ago	Change from Year ago
		—(percent)—	
Wholesale:			
All commodities	110.0	−0.4	−0.5
All foods	100.8	−1.7	−2.1
Farm products	92.1	−1.1	−6.4
Fruits, fresh	111.5	+2.7	+5.2
Vegetables, fresh	99.2	−1.0	+25.7
Fruits and Juices, Canned	107.1	+1.1	+1.7
Vegetables and Soups, Canned	105.2	+0.1	+1.0
Retail:			
All commodities	114.3	0	−0.4
All foods	110.8	0	−1.2
Canned Fruits and Vegetables	102.6	−0.2	−0.9

The N.C.A. index of prices received by canners for canned fruits and vegetables f.o.b. canning plant showed a slight increase in April over March. The April index for canned vegetables and vegetable juices stood at 106 percent of the 1947-49 average. The index for canned fruit and fruit juices was 107.9 percent of the 1947-49 average. The index of canned vegetable prices received by canners has fluctuated very little over the past two years. The index of canned fruit prices has shown slightly more variation. The trend in the price index of these two groups of canned foods from January, 1954, through April, 1955, is shown below.

Year and Month	Fruit and Fruit Juices	Vegetables and Vegetable Juices	Combined Index
	(1947-49 = 100)		
1954:			
January	106.4	106.6	106.5
February	104.8	106.0	105.5
March	104.6	105.5	105.1
April	106.2	105.5	105.8
May	109.6	105.8	107.4
June	109.4	106.3	107.6
July	110.1	105.7	107.5
August	109.7	104.7	106.8
September	110.8	105.2	107.5
October	110.7	105.2	107.5
November	105.8	105.5	105.6
December	106.4	105.6	105.9
1955:			
January	105.5	104.9	105.1
February	106.7	104.8	105.6
March	107.0	104.8	105.7
April	107.9	106.0	106.8

INCOME AND EXPENDITURES

The increase in per capita disposable income which began in the latter part of 1954 continued during the first quarter of 1955. On a per

capita basis disposable income in the first quarter of 1955 was the equivalent of $1,592 at 1954 prices and $1,586 at current prices. These are seasonally adjusted annual rates. Total disposable personal income averaged $260.5 billion (annual rate seasonally adjusted) during the first quarter of 1955. This was almost 2 percent above the fourth quarter of 1954 and 3½ percent above the first quarter a year ago. Although personal income rose by over $3 billion in 1955, disposable income decreased by about $4.5 billion. The greater increase in disposable income was attributed to the delayed effect of the 1954 tax reductions and revisions.

Consumer expenditures rose almost as much as disposable income in the first quarter of 1955, being up 5 percent above a year ago. Consumer savings were unchanged from the fourth quarter of 1954 but 15 percent lower than a year earlier. The biggest increase in consumer spending was for durable goods, up 18 percent over the first quarter of 1954. Expenditures for nondurable goods showed an increase of slightly more than 3 percent over a year ago. The income of farm proprietors (seasonally adjusted) was 7½ percent less than a year ago, while the income of business and professional proprietors was 3 percent above a year ago.

Corporate reports issued during April showed in most cases gains in sales and earnings over the first quarter of last year. The National City Bank of New York reported in a tabulation of 818 companies that net income after taxes had increased 27 percent over the first quarter of 1954 and was practically unchanged from the fourth quarter. The number of companies reporting increases over a year ago was more than three times the number reporting decreases. Twenty-nine food product companies reported a net income in the first quarter of 1955 which was 1 percent less than their net income during the first quarter of 1954. Only three other manufacturing industries showed a decrease in net income from a year ago—electrical equipment, radio and television; machinery; and railway equipment. All of the other groups reported higher income than a year ago.

Farm income during the first quarter of 1955 was down about 5 percent from a year earlier. The decrease in farm income was attributed primarily to a decline in receipts from livestock and products, which were down about 9 percent below a year ago. Receipts from crops were about the same as a year ago.

Income and Expenditures	1st Qtr. 1955	Change from 4th Qtr. 1954	Change from Year ago
	(billion dollars)	—(percent)—	
Disposable personal income	260.5	+1.8	+3.3
Personal consumption expenditures	242.0	+1.8	+5.0
Expenditures, nondurable goods	122.5	+0.3	+3.1
Personal net savings	18.5	+1.6	−15.1

BUSINESS FAILURES

Although business failures in March reached the second highest level in the entire postwar period, they were 6 percent less than in March, 1954, the previous postwar peak. However, the total number of business failures in the first three months of 1955 was about 10 percent lower than in the same period of 1954. The number of failures in manufacturing was about 12 percent above a year ago and in March of 1955 showed a sharp increase of 20 percent over February.

The number of failures among food and kindred product manufacturers showed no change from a year ago and the March figure was down 42 percent from February. Contrasting with the number of failures in March, liabilities declined 2 percent. The liabilities of all failures during the first quarter of 1955 totaled $121 billion, a 10 percent decline from the first quarter of 1954.

The increase in the number of March failures represented increases in all sizes of business. However, the sharpest upswing occurred among small businesses involving liabilities of less than $5,000. Failures in March occurred at the rate of 41 for each 10,000 enterprises, up slightly from the 39 per 10,000 in February, but below the 44 of a year ago and the prewar rate of 61 in 1940. Manufacturing was the only one of the five major divisions of industry that reported more failures than in March a year ago. The increase of 14 percent in manufacturing occurred principally in the heavy industries. In contrast, there was a small decline in failures in retailing and a marked decline in failures in the automotive and food trades.

Although the number of failures in the food and kindred products manufacturing group was unchanged from a year earlier, the liabilities of these failures were up sharply to almost three times the March, 1954, figure. Although the recent pattern of business failures is not as favorable as it might be, most economists feel that the decrease in failure liabilities in March removes some of the doubt concerning the future trend of business which had been raised by the previous increases in failure liabilities. An analysis of the business failures during the first quarter of 1955 compared with the corresponding period last year reveals the following:

(1) The total number of all business failures decreased 1 percent.

(2) The number of failures increased in mining and manufacturing and in wholesale trades.

(3) Liabilities of all business failures decreased about 10 percent.

(4) Failure liabilities of firms engaged in wholesale trade and construction increased contrary to the general decrease.

(5) Failure liabilities of firms engaged in retail trade decreased most; liabilities of firms engaged in construction increased the most.

	March 1955	Change from Month ago	Change from Year ago
	(number)	—(percent)—	
Business Failures:			
All business	1,038	+18.4	−5.8
Manufacturing*	219	+20.3	+12.3
Food and kindred products	10	−42.2	0
	(thousand dollars)	—(percent)—	
Current Liabilities:			
All business	41,209	−2.0	−26.1
Manufacturing*	16,318	−10.1	+6.9
Food and kindred products	1,548	+6.6	+284.1

* Excluding mining.

Fruit Juice Superconcentrates

Superconcentrated sweetened grape juice and superconcentrated apple juice—two new food products that soon may be on the market—can be stored satisfactorily without freezing or refrigeration, the U. S. Department of Agriculture announces.

Tests show that these full-flavored, 7-fold juice concentrates will keep for at least a year at ordinary room temperatures. They were developed by the Eastern Utilization Research Branch, Wyndmoor, Pa., a unit of the Department's Agricultural Research Service.

Dr. G. E. Hilbert, director of USDA's farm-product-utilization research, says that the excellent flavor and good storage behavior of these superconcentrates is a result of packing them hot—at 180° F.—and then cooling them quickly. They can be stored equally well in glass or in tin cans of the type used for single-strength fruit juices or frozen juice concentrates.

The possibility of warehousing these juices without refrigeration helps to make them attractive to industry, USDA said, since their marketing cost should be relatively low. Samples reconstituted after a year's storage at 73° F. were tried by a trained taste panel and found to retain the characteristic, appetizing flavor of the fresh fruit. The taste-panel ratings indicated that the juices had changed in flavor only slightly

during this relatively long storage period.

The new superconcentrates are made by processing fresh fruit juice first by an ultra-rapid method to recover its volatile aroma, or flavor "essence." When stripped of essence, the juice is concentrated. Then the essence is restored to give the concentrate full natural fruit flavor. Sugar is added to grape concentrate to intensify the natural juice flavor and improve keeping quality. A 4-ounce can of either concentrate, after reconstitution (with 6 cans of water), makes 7 generous servings.

The testing of these concentrates is reported in a new publication, ARS-73-3, "Storage Characteristics of Apple and Grape Full-Flavor Superconcentrates." Copies may be obtained from the Agricultural Research Service, U. S. Department of Agriculture, Washington 25, D. C., or from the Eastern Utilization Research Branch, USDA, Philadelphia 18, Pa.

Meeting of N.C.A. Directors

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and is himself an important Illinois stock and grain farmer.

He was graduated from the University of Illinois in 1928 with honors and earned his master's degree in agronomy in 1929. After college Mr. Shuman operated his father's 456-acre farm for a time, and then acquired acreage of his own. He now actively farms approximately 200 acres and supervises operations of tenants on an additional 550 acres.

Mr. Shuman has served as a director of his county Farm Bureau and as its president. He was elected to the Farm Bureau board of directors in 1945.

Little Damage to Canned Foods

(Concluded from page 207)

stand up in conditions of retail handling and storage.

From these tests, the food experts hope to learn to what extent food packages and their contents may become radioactive and what limitations, if any, must be placed on the handling of the containers and the consumption of the contents. In addition, an extensive evaluation of blast effect on containers and packaging is planned.

The exposed foods will be sampled in order to determine if any changes occur in taste, odor, or flavor. In order to find out whether exposure of foodstuffs to high radiation flux may modify the nutritive properties or, in certain cases, even create toxic substances in the food, long-range animal feeding tests will be conducted—up to two years in some cases—with monkeys and rats.

Although reports on these findings must await official clearance, the Federal Civil Defense Administration, in special exercises, had arranged for industry observers to inspect conditions on the day following the blast, and the visitors were permitted to make observations on conditions physically apparent. The observers, however, were not permitted to inspect the critical exposures nearer ground zero than 4,700 feet. At this distance and at greater distances from the shot tower, the houses, industrial structures, and rows of trailers had been placed. Observers report generally that the canned and glass-packed foods in these structures suffered less physical damage than some of the structures themselves. Food products in physically intact packages were found probably acceptable for use. Food products as close as 4,700 feet from ground zero were substantially free of radioactivity. Failure of packages was due principally to gross dislodgment from cupboards or from flying missiles; there was no bursting by blast overpressures. Generally, foods stored in basements fared better than those on kitchen shelves as far as damage from dislodgment was concerned.

At 4,700 feet a one-story house of precast concrete slab remained standing, although windows were blown out, furnishings crushed and twisted. Canned and glass-packed foods had been exposed here in kitchen cupboards, which had been torn loose but not dislodged. Some of the food packages remained on the shelves and, though disarranged, appeared intact. No bulging or breakage from blast pressures occurred. All damage appeared to be due to flying debris or from the fact that packages had been thrown to the floor by the shock wave.

At 5,500 feet a frame house had been badly scorched on the side facing the blast, its roof torn off, and windows blown out. Cases of foods in the basement of this house were apparently undamaged although some were thrown from shelves to the floor. Canned and glass-packed foods in the kitchen cabinets also were partially toppled to the floor. A special "Grandma's Pantry" exhibit, which had been stored in the area under the basement stairs, came through very well. "Grandma's Pantry" was a special assembly of emergency foods selected with the idea of providing essentials to care for a family over a three-day emergency period. About 300 cans representing about 30 different commodities were furnished FCDA for this project.

At 6,800 feet an industrial shed (Behlen building) of heavy corrugated metal construction came through the blast nicely although the roof and sides had heaved with the air blast and the windows were blown out. The exposure of canned and glass-packed foods in this building was one of the tests of these foods under retail conditions, some foods being cased and others uncased on shelves. Some of the shelvings were torn down and some packages thrown to the floor, although most remained on the shelves undamaged. A 46-ounce can of tomato juice had been penetrated by a flying sliver of glass. Cases on the floor remained undamaged.

At 10,500 feet the canned and glass-packed foods in a kitchen cabinet with doors in a one-story house of precast concrete were undamaged, and the doors of the cabinet remained intact. The second of the "Grandma's Pantry" exhibits in a cupboard in a one-story frame rambler was in good condition. Canned foods on shelves in a house trailer remained partially intact but some were thrown to the floor.

Reports of performance of surface exposures are not complete. A pallet load exposed in the open at 4,700 feet was found scattered with some of the cases ripped open and cans strewn on the ground.

In general, at distances up to 4,700 feet the samples were found substantially free of radioactivity and in fact canned tomato juice was opened and consumed by observers during their visit.

The nuclear tests at Nevada are a joint effort of various segments of the food and food packaging industry and two departments of the government, all under the sponsorship of the Federal Civil Defense Administration. The industry participants are the N.C.A, the Can Manufacturers Institute, the Glass Container Manufacturers Institute, Inc., the American Meat Institute, and the National Association of Frozen Food Packers. The government participants are the Food and Drug Administration of the Department of Health, Education, and Welfare; and the Meat Inspection Branch and the Marketing Research Division of the U. S. Department of Agriculture.

New Association Members

The following firms have been admitted into membership in the N.C.A. since January 22, 1955:

ALAMO PRODUCTS COMPANY, Box #1057, Alamo, Texas. *Products*—Citrus juices, beets, tomato juice, tomatoes, green beans, potatoes, carrots, and black-eye peas. *Officer*—T. E. Stinson, secretary-treasurer and manager.

BOLGER, HENRY, Andreafski, Alaska. *Product*—Salmon. *Officer*—Henry Bolger, owner.

PAULEY PROCESS, INC., Box 406, Grover City, Calif. *Product*—Tuna. *Officer*—Elton V. Tognazzini, president.

PROVENZANO FOOD PRODUCTS CO., P. O. Box #1074, San Jose, Calif. *Products*—Dry beans and peas. *Officer*—R. B. Provenzano, owner.

SENECA GRAPE JUICE CORPORATION, 74 Seneca St., Dundee, N. Y. *Product*—Grape juice. *Officer*—Arthur S. Wolcott, president.

SUNRISE PRODUCTS, INC., P. O. Box #151, Fort Pierce, Fla. *Products*—Green beans and tomatoes.

XLNT FOOD PRODUCTS, INC., 4301 Valley Blvd., Los Angeles 32, Calif. *Products*—Chili con carne, chili con carne with beans, potatoes, corn meal mush, tamales, refried beans, and pink beans. *Officer*—Charles W. Gardiner, president.

N.C.A. 1954 Financial Report

A copy of the audited financial statement of the N.C.A. for 1954 has been mailed to the headquarters office of each member.

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